

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 384 - SB 988

February 26, 2023

SUMMARY OF BILL AS AMENDED (004516): Authorizes wineries, farm wineries, and manufacturers of alcoholic beverages to distill and fortify wine and blend the distilled or fortified wine with their products. Replaces the prohibition against rectifying wines pursuant to a winery license and authorizes a licensed winery to blend wine manufactured by the winery with other wine, fortified wine, or distilled wine; provided, that the winery does not add to the wine distilled spirits, as defined under federal law, that were derived from a type of grain or product other than wine. Authorizes wineries and farm wineries to sell wine to a licensed manufacturer and specifies that any product resulting from the blending, distilling, or fortifying of such wine is the product of the manufacturer. Authorizes a manufacturer, winery, or farm wine producer to transport wine from a winery or farm wine producer. Specifies all transactions between producers and wineries, farm wineries, and manufacturers of alcoholic beverages are not subject to taxation.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Allowing manufacturers to purchase wine from Tennessee wineries and Tennessee farm wine producers to create a product that may result from blending, distilling, or fortifying such wine and to distill, blend, and fortify wine on behalf of a winery or farm wine producer will not significantly impact tax or licensing revenue.
- Any impact on overall sales of alcohol in Tennessee or operations of the Alcoholic Beverage Commission is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Krista Lee Carsner, Executive Director

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